

AMENDED IN ASSEMBLY MAY 5, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1329

Introduced by Assembly Member Patterson
(~~Coauthor:~~ Coauthors: Assembly Member Members Chávez and
***Steinorth*)**

February 27, 2015

An act to add Section 17053.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1329, as amended, Patterson. Personal Income Tax Law: credit: fuel management activities.

The Personal Income Tax Law allows various credits against the taxes imposed by that law.

This bill, for taxable years beginning on or after January 1, 2016, would allow a credit under that law in an amount equal to ~~25% of the amounts~~ *the qualified costs, as defined*, paid or incurred by a qualified taxpayer, not to exceed a specified amount, during the taxable year for fuel management activities, as defined, performed on qualified real property owned by the qualified taxpayer.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.1 is added to the Revenue and
- 2 Taxation Code, to read:

17053.1. (a) For taxable years beginning on or after January 1, 2016, there shall be allowed a credit against the “net tax,” as defined by Section 17039, in an amount equal to ~~25 percent of the amounts~~ *the qualified costs* paid or incurred by a qualified taxpayer during the taxable year for fuel management activities performed on qualified real property, subject to subdivision (c).

(b) For the purposes of this section, the following definitions shall apply:

(1) “Defensible space” means the area adjacent to a structure or dwelling where wildfire prevention or protection practices are implemented to provide defense from an approaching wildfire or to minimize the spread of a structure fire to wildlands or surrounding areas.

(2) “Fuel management activities” means the creation of a defensible space around structures, the establishment of fuel breaks, the thinning of woody vegetation for the primary purpose of reducing risk to structures from wildfire, or the secondary treatment of woody fuel by looping, scattering, piling, chipping, removing from the site, or prescribed burning, provided these activities meet or exceed the requirements of the 2015 California Forest Practice Rules.

(3) “Hazardous fire area” has the same meaning as that term is defined in Section 4251 of the Public Resources Code.

(4) *“Licensed contractor” means a contractor licensed under the Contractors’ State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code) with a license that relates to the duties necessary to provide fuel management activities.*

(5) *“Professional forester” means a person licensed under the Professional Foresters Law (Article 3 (commencing with Section 750) of Chapter 2.5 of Division 1 of the Public Resources Code).*

(6) *“Qualified costs” means 25 percent of the costs paid or incurred by a qualified taxpayer for labor or services performed for fuel management activities by a licensed contractor or professional forester, which costs are evidenced by records and documents, including, but not limited to, a written certification.*

~~(4)~~
(7) “Qualified real property” means real property that is located within a hazardous fire area or a very high fire hazard severity zone in this state.

1 ~~(5)~~

2 (8) “Qualified taxpayer” means a taxpayer who owns qualified
3 real property. A taxpayer who owns a share of qualified real
4 property may be allowed a share of the credit based on the
5 taxpayer’s share of the qualified costs.

6 ~~(6)~~

7 (9) “Wildfire” means an unplanned, unwanted wildland fire,
8 including unauthorized human-caused fires, escaped wildland fire
9 use events, escaped prescribed fire projects, and all other wildland
10 fires where the objective is to extinguish the fire.

11 ~~(7)~~

12 (10) “Very high fire hazard severity zone” has the same meaning
13 as that term is defined in subdivision (i) of Section 51177 of the
14 Government Code.

15 (11) *“Written certification” means a written evaluation by the*
16 *State Board of Forestry and Fire Protection or local fire*
17 *department that certifies the establishment of defensible space,*
18 *provided that the certification shall be obtained within 30 days*
19 *after completion of the work establishing the defensible space. The*
20 *qualified taxpayer shall retain a copy of the certification and*
21 *provide it to the Franchise Tax Board upon request.*

22 (c) The amount of the credit allowed by this section shall not
23 exceed the lesser of two thousand five hundred dollars (\$2,500)
24 per qualified taxpayer per taxable year or 50 percent of a qualified
25 taxpayer’s total tax liability for ~~that year~~ *the previous taxable year.*

26 (d) A deduction shall not be allowed under this part for any
27 amount paid or incurred for which a credit is allowed by this
28 section.

29 (e) The Franchise Tax Board shall establish a procedure to verify
30 that the amount was paid or incurred by the qualified taxpayer for
31 fuel management activities on qualified property.

32 (f) It is the intent of the Legislature to enact legislation to comply
33 with the requirements of Section 41.

34 (g) *If the credit allowed by this section exceeds the “net tax,”*
35 *the excess may be carried over to reduce the “net tax” in the*
36 *following year, and the succeeding six years, if necessary, until*
37 *the credit is exhausted.*

1 SEC. 2. This act provides for a tax levy within the meaning
2 of Article IV of the Constitution and shall go into immediate effect.

O